



NATIONAL AUTOMOBILE DEALERS ASSOCIATION
8400 Westpark Drive • McLean, VA 22102
703.821.7040 • 703.821.7041

Legal & Regulatory Group

August 31, 2015

Federal Trade Commission
Office of the Secretary
Suite CC-5610 (Annex E)
600 Pennsylvania Avenue, N.W., Washington, D.C. 20580

Filed electronically at: <https://ftcpublishcommentworks.com/ftc/GLBPrivacyamendment>

Re: “Amendment to the Privacy of Consumer Financial Information Rule, 16 CFR part 313, Project No. R411016.”

The National Automobile Dealers Association (“NADA”) submits the following in response to the request for comments by the Federal Trade Commission (“FTC” or the “Commission”) on its proposal (“Proposed Rule”) to amend the Privacy of Consumer Financial Information Rule (Privacy Rule or Rule), which among other things requires that certain motor vehicle dealers provide an annual disclosure of their privacy policies to their customers by hand delivery, mail, electronic delivery, or, alternatively through a website, but only with the consent of the consumer. The Proposed Rule would allow motor vehicle dealers instead to notify their customers that a privacy policy is available on their website (the “Alternate Delivery Method”), under certain circumstances.

NADA represents approximately 16,000 franchised automobile and truck dealers who are generally deemed to be financial institutions under the Gramm-Leach-Bliley Act, and are thus subject to the Privacy Rule.¹ Together our members employ approximately one million people nationwide.

The Alternative Delivery Method outlined in the Proposed Rule will not apply to the overwhelming majority of franchised automobile dealers as they do not generally have any continuing relationship with their finance or lease customers,² and thus do not have an obligation

¹ See, e.g., <https://www.ftc.gov/tips-advice/business-center/guidance/ftcs-privacy-rule-auto-dealers-faqs>

² That is because the typical sales or lease transaction involves so-called “three-party financing” pursuant to which the sales or lease contract is assigned to a bank or finance company shortly after the consumer executes the contract. It is the bank or finance company, not the dealer, which generally maintains and services the automobile loan or lease.

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to send an annual privacy notice. Nevertheless, NADA believes that the proposed amendment to the Privacy Rule allowing for the Alternate Delivery Method for annual notices is a sensible step that will benefit consumers as well as dealers. We agree that notifying consumers of the availability of an electronic copy of the annual privacy notice is far more efficient, and in most cases, a far more effective method of providing consumers the information required under the Privacy Rule.

Thank you for the opportunity to comment on this matter.

Sincerely,

Bradley T. Miller

NADA Legal and Regulatory Affairs